

Insuring America's Youth: Examining the Success of Medicaid and CHIP Coverage



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Abstract

Children make up 23% of the nation's total population but make up 32% of all persons in poverty¹. Given the overrepresentation of children among the US impoverished population, questions are raised on how best to provide much needed medical coverage to low income children. Currently, programs such as Medicaid and CHIP seek to provide low or no cost health coverage to children in low income households. However, the uninsured rate for children has risen from 4.9% to 5.5% in 2018². This is equivalent to about 425,000 children becoming uninsured. Do Medicaid and CHIP do enough to ensure that children in low income households receive low cost health coverage?

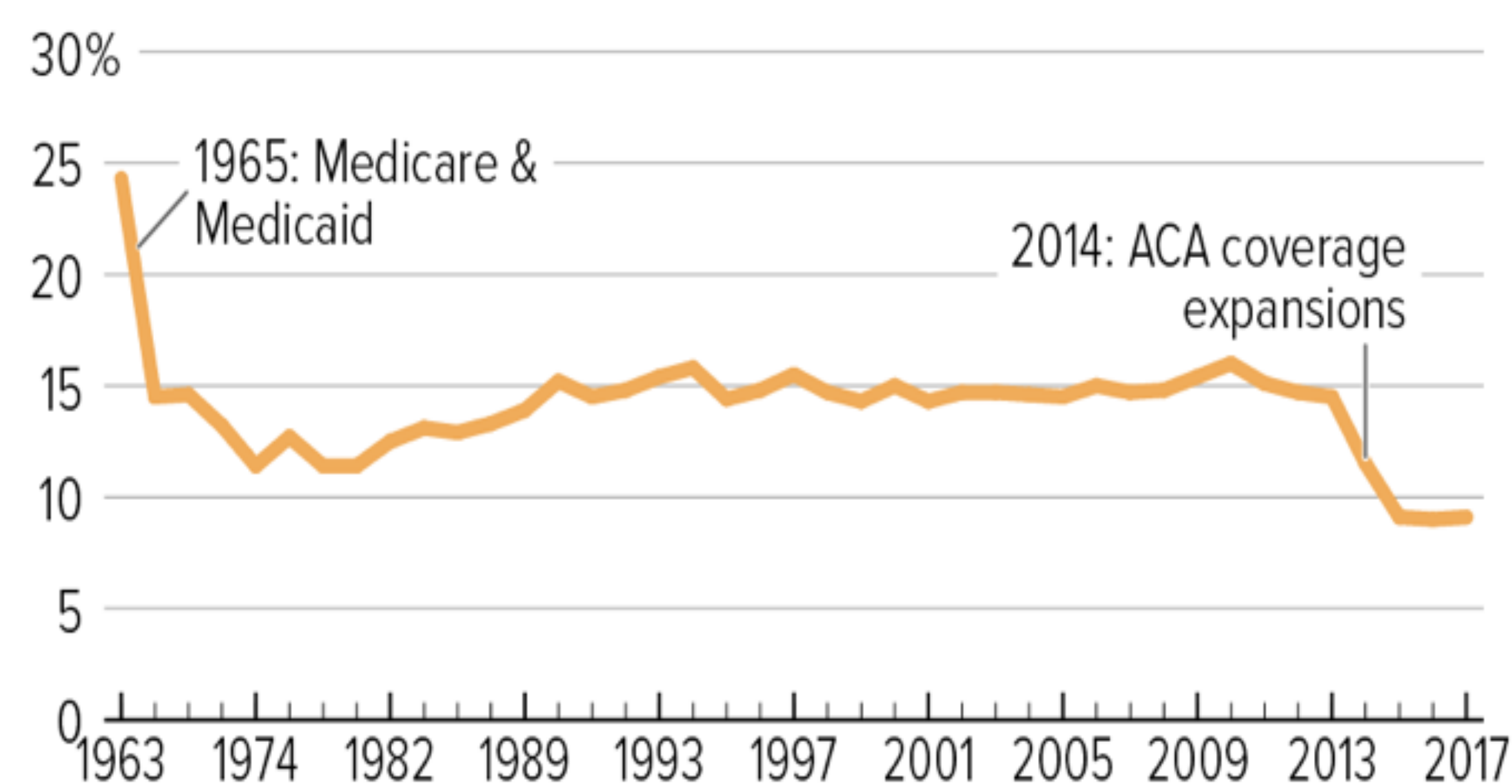
What are Medicaid and CHIP?

- Medicaid is a government program designed to provide health insurance to low income families at little or no cost by enrolling them in a private plan and assisting in payment of premiums and other fees. Eligibility is measured using the Federal Poverty Guidelines.
- CHIP (Child Health Insurance Program) is designed to cover healthcare costs for children in modest income households that do not qualify for Medicaid. Following the Affordable Care Act, CHIP plans are being phased into the Medicaid plans of parents who now qualify under expanded eligibility requirements.

Availability of Insurance Post ACA

Affordable Care Act Coverage Gains Driving Uninsured Rate to Historic Low

Share of population without health insurance



Note: For 1989 and later, data are annual. For prior years, data are generally biannual. Data for 2018 cover the first half of the year.

Source: Council of Economic Advisers analysis of National Health Interview Survey (NHIS) and supplemental sources, updated by CBPP from NHIS data

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Effects of Medicaid Expansion

As pictured above, the recent Medicaid expansions under the ACA have driven the US uninsured rate to its lowest mark since Medicaid's implementation. Medicaid has provided satisfactory coverage to recipients as well. According to survey data from the Commonwealth Institute, 82% of new Medicaid recipients and those with ACA marketplace coverage were satisfied with their health plans. Nearly 50% of new Medicaid recipients had been uninsured for a period of two years or more³, demonstrating that the expansion of Medicaid has opened the door to coverage.

Effectiveness of Medicaid/CHIP

The expansion of Medicaid under the Affordable Care Act has had clear benefits to children and parents alike. Medicaid coverage is viewed as satisfactory by a vast majority of new Medicaid recipients and the uninsured rate is the lowest it has been in decades. The consolidation of CHIP benefits into parental Medicaid plans for subsets of the population has also allowed parents to simplify healthcare choices for their children by visiting the same doctors and hospitals. This simplification of enrollment may also serve as an incentive for uninsured families to explore their eligibility for Medicaid benefits. Medicaid has proven to be an effective vehicle for providing available and affordable insurance for low income families. Current single payer health insurance proposals may overlook the benefits of government sponsored, as opposed to controlled, healthcare.

References

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³Collins, Sara R. "Americans' Experiences with ACA Marketplace and Medicaid Coverage: Access to Care and Satisfaction." *Commonwealth Fund*, 25 May 2016, www.commonwealthfund.org/publications/issue-briefs/2016/may/americans-experiences-aca-marketplace-and-medicaid-coverage.

⁴Straw, Tara. "Commentary: At Its 10th Anniversary, the ACA Is Helping to Address Our Public Health and Economic Crisis." *Center on Budget and Policy Priorities*, 23 Mar. 2020, www.cbpp.org/health/commentary-at-its-10th-anniversary-the-aca-is-helping-to-address-our-public-health-and.